

Senate File 118 - Introduced

SENATE FILE 118

BY ZAUN

A BILL FOR

1 An Act exempting from the individual income tax the value of
2 charity medical care provided by a physician to certain
3 patients in this state and including applicability
4 provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.7, Code 2021, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 63. *a.* A physician may subtract the value
4 of charity medical care donated to a patient in this state.

5 *b.* As used in this subsection:

6 (1) "*Charity medical care*" means medical services that are
7 furnished, without reimbursement, to a patient enrolled in
8 either of the following programs:

9 (a) The hawk-i program under chapter 514I.

10 (b) The medical assistance Act under chapter 249A.

11 (2) "*Physician*" means a person licensed under chapter 148.

12 (3) "*Value of charity medical care*" means an amount equal to
13 the product of the following:

14 (a) The average hourly wage of a physician based upon a
15 compensation survey by the American medical association or
16 an equivalent organization for the geographic area where the
17 medical care occurred.

18 (b) The number of hours of charity medical care donated in
19 the tax year.

20 Sec. 2. APPLICABILITY. This Act applies to tax years
21 beginning on or after January 1, 2022.

22 EXPLANATION

23 The inclusion of this explanation does not constitute agreement with
24 the explanation's substance by the members of the general assembly.

25 This bill exempts from the individual income tax the value
26 of charity medical care provided by a physician to a patient
27 in this state.

28 The bill defines "charity medical care" to mean medical
29 services that are furnished, without reimbursement, to a
30 patient enrolled in either of the following programs: the
31 hawk-i program under Code chapter 514I, or the medical
32 assistance Act (Medicaid) under Code chapter 249A.

33 The bill defines "value of charity medical care" to mean the
34 product of the average hourly wage of a physician based upon
35 a compensation survey by the American medical association or

1 an equivalent organization for the geographic area where the
2 charity medical care occurred, multiplied by the number of
3 charity medical hours donated.

4 The bill applies to tax years beginning on or after January
5 1, 2022.